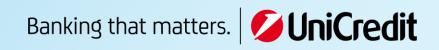
UniCredit Commitment on rainforests

January 2020



Our environmental and social commitment

UniCredit is aware that the financial sector plays an important role in the economy, having the responsibility to ensure stable markets and to support the real economy.

UniCredit acknowledges that preserving ecosystems is the only way to sustainably maintain economic development. Climate change and its generated extreme wheather events, loss of biodiversity, soil degradation and water scarcity are undermining human activities as well as increasing the costs related. This is why, in recent years, we have engaged in a series of initiatives aimed at reducing the direct and indirect impacts of our operations.

We work in partnership with our clients to identify, assess and manage social and environmental risks and impacts in a structured way on an ongoing basis.

Recognizing the importance of human rights, (e.g., forced/child labour, the health and safety of workers and communities, the rights of indigenous people, etc.), UniCredit believes negative impacts on project-affected ecosystems, communities and the climate should be avoided.

The Group wants to support the clients transition towards a low carbon economy and the related improvement of environmental and social footprint.

Our position on forestry

The protection of forests is fundamental to conserve biodiversity and also to limit climate change, as forests are the main instrument of carbon absorption. In addition to this, it should not be underestimated that large populations live in places with a high density of forests and their rights to keep benefiting from the forests must always be considered, when developing plantations or infrastructures in forest areas.

The objective is to ensure that our activity does not favor deforestation or forest degradation, unless appropriately mitigated. We will not provide financial services to customers involved directly (and in case of specific projects also indirectly) in: illegal logging; wood registered in violation of traditional and civil rights; wood immersed in forests where high conservation values are threatened by industry; or forests converted illegally into planting or illegal use of fire.

For project finance transactions including project finance advisory, along with certain project-related corporate loans and bridge loans, the standards established by the Equator Principles also apply.

This commitment refers to all transactions project related with a potential impact on rainforests.

Exclusion list

In view of the substantially higher risks involved, the UniCredit Group will not support any of the following activities:

- Operations with adverse violations on human rights
- Operations in or immediately adjacent to UNESCO World Heritage Sites unless the activities predate the UNESCO designation
- Operations in or directly affecting areas officially protected for conservation purposes (i.e., IUCN I-IV protected areas) or those proposed for such designation¹
- Operations in or directly affecting wetlands on the Ramsar List²
- Operations in or directly affecting Primary Tropical Moist Forests, High Conservation Value Forests, or Critical Natural Habitats, where significant degradation or conversion is involved
- Operations in or directly affecting rainforests³

Main partnerships

UniCredit is signatory to some of the main initiatives, international standards, and principles wich also include the forestry sector such as Equator Principles, Natural Capital Finance Alliance, UN Global Compact and United Nations Environment Programme Financial Inititative (UNEP FI).

 $^{^{1}\ {\}rm https://www.iucn.org/theme/protected-areas/about/protected-area-categories.}$

² https://www.ramsar.org/sites-countries/ramsar-sites-around-the-world.

³ Rainforests usually occur in regions where there is a high annual rainfall of generally more than 1,800 mm (70 inches) and a hot and steamy climate. The trees found in these regions are evergreen.

Glossary

Primary Tropical Moist Forest

Primary forest is defined as relatively intact forest that has been essentially unmodified by human activity for the previous 60 to 80 years. Tropical moist forest is generally defined as forest in areas that receive not less than 100 mm of rain in any month for two out of three years and have an annual mean temperature of 24?C or higher. Also included in this category, however, are some forests where dry periods are longer but high cloud cover causes reduced evapotranspiration.

High Conservation Value Forests

The concept of High Conservation Value Forests (HCVFs) was first coined at the Earth Summit held in Rio de Janeiro in 1992. It was later developed as a conservation operational tool by the Forest Stewardship Council (FSC). As defined by the FSC—"HCVFs are forests of outstanding and critical importance due to their environmental, socio-economic, cultural, biodiversity and landscape value."

Critical Natural Habitat

Critical natural habitats are:

- existing protected areas and areas officially proposed by governments as protected areas (e.g., reserves that meet the criteria of the World Conservation Union [IUCN] classifications), areas initially recognized as protected by traditional local communities (e.g., sacred groves), and sites that maintain conditions vital for the viability of these protected areas; or
- (ii) sites identified on supplementary lists prepared by the World Bank. Such sites may include areas recognized by traditional local communities (e.g., sacred groves); areas with known high suitability for bio-diversity conservation; and sites that are critical for rare, vulnerable, migratory, or endangered species. Listings are based on systematic evaluations of such factors as species richness; the degree of endemism, rarity, and vulnerability of component species; representativeness; and integrity of ecosystem processes.